2021 ECOSOC Operational Activities for Development Segment Vice President's Summary

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The 2021 ECOSOC Operational Activities for Development Segment was held virtually from 18 to 20 May 2021. The segment was the first since the General Assembly adopted its resolution 75/233 on the new comprehensive policy review of operational activities for development of the United Nations system (QCPR) on 21 December 2020 and took place almost three years since the adoption of General Assembly's resolution 72/279 on the repositioning of the UN development system (UNDS). The overarching theme of the segment was amplifying the United Nations development system's impact in support countries in addressing the ongoing COVID-19 pandemic and achieve the 2030 Agenda, building on the United Nations reforms ensuring effective implementation of the 2020 QCPR.

The segment took place a year after the onset of the COVID-19 pandemic that caused immense suffering across the globe, set back a decade of hard-won development gains in so many countries, and underscored the need for a collective, coordinated global response. The UN development system rose to the challenge, demonstrating the potential and value-added of a whole-of-system approach.

The segment brought together high-level Government representatives, senior UN officials from the country, regional and global levels, and experts (see programme). Fifty-eight panellists and moderators participated, including the SG, six Executive Heads of a total of seven United Nations funds, programmes and specialized agencies who engaged in the different interactive dialogues. Ten resident coordinators operating in 19 countries and territories, as well as several members of United Nations country teams, also participated.

The discussions were informed by the report of the Secretary-General on the implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/76/75-E/2021/57), including its addendum on the analysis of funding (A/76/75/Add.1-E/2021/57/Add.1) of the United Nations development system and the annex containing the QCPR monitoring and reporting framework. The segment also considered the third annual report of the Chair of the United Nations Sustainable Development Group (UNSDG) on the Development Coordination Office (E/2021/55).

Opening session

At the opening of the segment, the President of ECOSOC, H. E. Ambassador Munir Akram highlighted that in 2020, the UN development system was put to the ultimate stress test. The COVID-19 pandemic had a devastating impact on developing countries. The United Nations development system (UNDS) responded quickly and coherently to the crisis. Its assessment of country needs enabled the Secretary-General to launch his appeal for emergency help to the most seriously affected developing countries. And resident coordinators played a central role in preparing national socio-economic response plans that included UN organizations, the IMF, and the World Bank.

"The reformed UN development system is working. However, the challenges ahead are imposing. A decade of development gains has been wiped out in most developing countries [which] must now focus even more on eradicating poverty and hunger; building social safety nets for the poor and the most vulnerable; mobilizing the financing required to respond to the pandemic and to build back towards the achievement of the 2030 Agenda and the SDGs".

H.E. Amb. Munir Akram President of ECOSOC

The UNDS worked as it was meant to, and the experience offered a solid basis for improving UNDS effectiveness and cooperation with partners in governments, international organizations, civil society, and other development actors. The President underscored that the UNDS works well when the objectives to be achieved are clear and nationally determined, when all actors cooperate to realize them, when UN entities provide timely support, and when adequate and timely financing is made available to successfully implement the identified objectives. The 2020 QCPR resolution provides strategic direction to guide the UNDS for the next four years, particularly in supporting integrated national policies to realize the SDGs and help countries ensure that no one is left behind.

The challenges ahead nevertheless remain formidable. A decade of development gains has been wiped out in most developing countries. The UNDS must focus even more on eradicating poverty and hunger, building social safety nets, and mobilizing financing to respond to the pandemic and build back towards achieving the 2030 Agenda and the SDGs.

"The COVID-19 pandemic has also been a litmus test for the new Resident Coordinator system and the repositioned United Nations development system. Based on evidence available thus far, it is a test we have passed with a solid score".

H.E. Mr. António Guterres Secretary-General, United Nations In his keynote address, the **UN Secretary-General António Guterres** stressed that the COVID-19 crisis has both, exposed the shortcomings of international cooperation, and demonstrated its untapped value and potential. The pandemic also served as a litmus test for the new resident coordinator system and repositioned UNDS.

Under the <u>UN Framework for the immediate socio-economic response to COVID19</u>, and the leadership of resident coordinator, UN country teams (UNCTs) rolled out 121 socio-economic response plans covering 179 countries and territories. Over US\$3 billion was repurposed and an additional US\$2 billion mobilized to prioritize effective, immediate support to people across the globe in coordination with Governments.

Governments overwhelmingly agree that as a result of the repositioning reforms, resident coordinators are more effective in leading country teams, serve as a genuine entry point to access the

UNDS, and helped to ensure a coherent United Nations response to the pandemic with strong national ownership.

The Secretary-General highlighted that over the past year, the implementation of GA mandates on the repositioning of the UNDS has been accelerated. The resident coordinator system is operating at full capacity, country teams are increasingly centred around more ambitious UN Sustainable Development Cooperation Frameworks (Cooperation Frameworks); and capacities of multi-country offices serving small islands developing states (SIDS) have been boosted. There is also better engagement with regional economic commissions, non-resident entities and international financial institutions. The UNDS is making good progress on its commitment to transparency and results-based management, as well as in securing more efficient business operations. Efficiency gains were estimated to have increased by 57 per cent between 2019 and 2020, with US\$100 million freed up for development activities.

Three areas were highlighted by the Secretary-General where more must be done. First, the UNDS must rapidly consolidate and implement a more robust accountability system. This includes a formal requirement to derive UNDS entities' country programme documents from the Cooperation Frameworks, and a clear process to inform the reconfiguration of UNCTs with host Governments. Second, the UNDS must further invest in an SDG mindset that focuses on delivering integrated policy advice and taking partnerships to scale, in particular with international financial institutions. Third, efforts need to be stepped up on the overall funding to the UNDS, and to the RC system in particular, requiring notably the full implementation of the Funding Compact.

Summary of discussions and key messages

The pandemic demonstrated what the UN development system can achieve when it mobilizes its full resources and capacities around a collective response. This should become a model forward, to accelerate progress on the Agenda 2030 and the SDGs.

Member States acknowledged progress on key elements of the UNDS repositioning, including on the strengthened leadership role of independent Resident Coordinators, improved UNCT coherence, enhanced transparency, and notable efficiency gains. The COVID-19 crisis demonstrated what the UNDS can achieve when it mobilizes its full resources and capacities for a collective response in support of the most vulnerable communities and countries. A whole-of-system approach is starting to take root, with a greater role for entities based outside countries, connecting global, regional, and country levels, as well as normative and operational aspects. There was a strong call by Member States to sustain this effort over the new QCPR cycle to support countries to accelerate the delivery of the 2030 Agenda and recover better and greener.

The revamped RC system has passed the COVID-19 stress test. Efforts are needed now to ensure UNDS can build on these gains to catalyze the fundamental realignment expected from the repositioning and a broader change in the culture of each entity of the UN development system.

The Common Country Analyses (CCAs) and Cooperation Frameworks (CF) are showing good progress in enabling collective results. Member States stressed that continued strengthening of collective outcomes as well as joint programming at country level is crucial. There was concern that more than half of UNDS entities still have no formal requirement to derive their country programme

outcomes from CFs and that 40 per cent of entities have yet to take action to harmonize their specific programming with UNSDCF guidance and practice. As the UN continues to update and improve the Management Accountability Framework (MAF), it is important to foster a mutually accountable relationship between the RC and UNCT members that strikes a balance between RC authority and the flexibility agencies need to respond to evolving needs on the ground.

The UNDS should accelerate the creation of incentives and develop a common strategy to promote greater system-wide integration and foster the necessary shifts in organizational culture. Member States reiterated the importance of harmonizing planning and programming cycles, aligning agencies' outcomes with the cooperation frameworks, and adjusting entity country representatives' job descriptions to reflect reporting to RCs.

Adapting country team configuration will require sustained attention, as UNCT configurations are not yet shifting to reflect the needs and priorities set out in the Cooperation Frameworks.

Member States welcomed that UN entities that are not present in-country were becoming more involved in Cooperation Frameworks (UNSDCF) development. At the same time, there is need to significantly step-up efforts to align UNCTs' configuration with the needs and priorities of the countries as agreed in the Cooperation Frameworks.

Member States took note of stronger partnerships that RCs and UNCTs have established with Governments and development partners at country level. But more is needed in terms of participation of civil society, trade unions and the private sector.

Member States sought a more complete picture of UNCTs' results at country level and reaffirmed the mandate to provide annual results reports to host governments. From their end, Resident Coordinators highlighted the need for sustained communication with governments on the UN development system repositioning and its implications, to better inform demand.

While recognizing the tangible progress the UN system has made in strengthening coherence and coordination across humanitarian, development and peace efforts, there was a general call to step up such efforts, as well as identify emerging risks and better integrate a human rights and gender equality perspectives,

Member States acknowledged the United Nations Development System efforts to strengthen crosspillar collaboration including through the development of field-level guidance and joint initiatives. They welcomed the work of the Joint Steering Committee to advance Humanitarian and Development Collaboration as a platform to link humanitarian, development and peace actors, and looked forward to the regular sharing of information as per the 2020 QCPR. However, more efforts are needed in particular to jointly plan UN system responses under the leadership of the resident coordinators and overcome bottlenecks, such as the lack of data sharing between UN system entities.

Resident coordinators have a critical leadership role to play to improve coherence between humanitarian, development, and peace entities and to ensure that this work is clearly communicated to UNCTs. This includes identifying and addressing emerging risks at country level and working closely with humanitarian, development, and peace actors to save lives, prevent conflict and mitigate crises. The UN system must focus on developing integrated strategies that ensure the best coordination possible in tackling pandemics, natural disasters, and conflict.

Joint risk and conflict sensitivity analyses and impact assessments must be central to UN system efforts to invest, collaborate and coordinate in fragile and conflict-affected countries. The CCA and Cooperation Framework processes should incorporate such analyses that are in turn routinely updated and used for adaptive planning and programming. There was a request for more systematic evidence on how the UN system is working to achieve this, in particular, what systemic steps are being taken to ensure a whole-of-system approach at country level.

Member States encouraged the United Nations Development System to step up efforts to integrate rights-based and gender-responsive perspectives in the CCAs and Cooperation Frameworks. Some sought details on UN plans to hold resident coordinators accountable for ensuring that the UNCTs promote the fundamental values and principles of the UN Charter, including respect for and protection of human rights and how results can be better shared with Member States.

Member States recognized steady progress in the follow-up of the multi-country office review and the exploration of tools such as multidimensional vulnerability analysis. Yet, support to SIDS should not be concentrated solely in the multi-country offices.

Member States appreciated the follow-up to the multi-country office (MCO) review, including the plan to dedicate a funding round for SIDS through the SDG Fund to aid their recovery from the pandemic. Efforts to strengthen the capacities of the multi-country offices with the right people and skills were welcomed, though it was emphasized that the UNDS response to SIDS challenges – including to respond to the pandemic to procure vaccines and address high indebtedness – should not be limited to strengthening MCOs' capacities.

Delegations also welcomed efforts to establish a multidimensional vulnerability index for SIDS, along with targets and indicators to complement the SDG framework to allow tracking implementation of the SAMOA Pathway. They called on the international community to continue to consider, as a matter of urgency, SIDS special circumstances to build a more comprehensive, holistic approach to addressing their needs and priorities.

Member States welcomed the Secretary-General's recommendations for a new development metric and a shift to integrated policy advice and leveraging partnerships and financing in middle-income countries.

Member States from middle income countries (MICs) welcomed the Secretary-General's recommendations on the need to strengthen the availability of reliable data, agree on a standard methodology for a new development metric, and gradually shift from traditional models of direct support and service provision to MICs to integrated high-quality policy advice and support for leveraging partnerships and financing. MICs were also keen to learn more on the development of a joint framework of collaboration with multilateral development banks to improve regional and country-level synergies, with specific attention paid to MICs, as set out in the 2020 QCPR and in the Secretary General's Road Map for Financing the 2030 Agenda for Sustainable Development 2019–2021.

Concrete steps the UN system has taken to address the debt crisis were welcomed, but there is need for more ambitious actions toward debt relief, liquidity, and reform of the international debt architecture.

Member States were pleased with progress made to ensure developing countries have the fiscal space and financial support to protect development gains and enable a strong recovery that supports accelerated SDG implementation over the remainder of the Decade of Action. They also appreciated the Deputy Secretary-General's call to decision-makers to take more ambitious action on debt relief and liquidity and reforming the international debt architecture. Actions could include the extension of the Debt Service Suspension Initiative, the creation of the Common Framework for Debt Treatments, and the potential issuance of a new round of special drawing rights of \$650 billion by the IMF.

The rolling out of regional collaborative platforms and issues-based coalitions, and the strengthened role of the regional commissions were recognized, noting calls for consultations with Member States on the work of the regional assets.

The COVID19 pandemic highlighted the importance of intra and cross-regional perspectives in addressing shared, cross-border humanitarian and development challenges. Member States were pleased to see stronger United Nations Development System regional strategies, along with the structures and capacities to support these. They also stressed that issues-based coalitions must still ensure national leadership and ownership. Delegates sought details on how the work of the regional collaborative platforms and issues-based coalitions was being fed into the CCAs and Cooperation Frameworks. Requests were also made for further information and consultations with Member States, which would enable greater visibility and clarity on the roles and activities of regional actors.

The upward trend in overall funding for operational activities for development was appreciated, along with the innovative funding modalities that have led to more flexible funding. However, progress in implementing the commitments of the Funding Compact remains mixed at best, with the continuing imbalance between core and non-core resources, and the narrow funding base for operational activities for development headlining the concerns of Member States.

The Funding Compact, and funding in general, were highlighted as an essential element of the reform package and a critical enabler of UNDS action. Member States expressed concern over the ability of the UNDS to fully implement the reform measures and operate more coherently and effectively on the ground unless there is a fundamental shift in the way the system is funded. New innovative funding modalities have helped generate more flexible funding to some degree, but the significant imbalance between core and non-core resources continues, as well as the heavy dependence on a small number of donors. Appeals were reiterated to countries, in a position to do so, to step up contributions to core resources or at least to avoid tightly earmarking funds by opting to channel resources through flexible, pooled funding mechanisms. This will enable the system to move away from a projectized model towards more strategic support, including through more integrated policy support.

To incentivize the funding shift that is required, the UNDS needs to continue taking measures to be more results-focused, transparent and accountable. This includes developing higher quality country-specific funding frameworks, regular and high-quality results reporting to host Governments and a more thorough approach to Cooperation Framework evaluations.

There was welcomed reporting on UNDS efficiency gains in business operations over the last year, in line with the Secretary-General's stated goals. The UNDS should step up these efforts while at the same time developing policies and mechanisms to better measure efficiency gains and report them to Member States.

Member States welcomed the Secretary-General's goal of achieving annual efficiency gains at the level projected in 2017 to be up to \$310 million by 2022. They were also encouraged by the progress in estimated efficiencies of \$100.7 million in 2020. At the same time, they requested further information on how the UNDS would achieve additional efficiencies and cost-savings and the methodological approach and the bases used to calculate and/or estimate cost saving and efficiency gains. Noting that only one-third of UNDS entities currently have policies or mechanisms for measuring efficiency gains, they counted on the Secretary-General's leadership to ensure the remaining two thirds of entities introduce such mechanisms.

The sustainability of the RC system must be ensured through sustainable, predictable and multiyear funding

The funding of the Special Purpose Trust Fund for the RC system remains below target, with a \$72 million funding gap in 2020, Member States looked forward to the Secretary-General's report on the RC system review, and expressed the need for its recommendations to be evidence-based, clear and manageable. They committed to fully engage in the upcoming intergovernmental process on the Resident Coordinator system review, which will consider several complex structural, performance and funding issues. Some delegations and groups noted that the review must ensure the RC system maintains its development focus and that eradication of poverty remains its overarching objective in response to national needs and priorities, in alignment with Cooperation Frameworks.

The UN development system plays a crucial convening, influencing and partnership-building role at the global, regional and country levels to mobilize all stakeholders to achieve the 2030 Agenda and the SDGs. To ensure success, however, the UNDS should develop a common systemwide partnerships approach.

Member States recognized and welcomed the UN development system's efforts in expanding partnerships and collaborations, including with the international financial institutions (IFIs), and the private sector, particularly in the response to COVID-19. But they also stressed that these efforts need scaled up and replicated to mobilize adequate resources to support SDG implementation. The system could play an important role in advocating for broader and better criteria for development financing within the IFIs that would take into account multidimensional vulnerabilities. Partnerships with IFIs would be important not only in relation to funding and financing, but also to leverage data, analytical capacities and collaboration on integrated policy advice to governments.

An important step moving forward would be for the UNDS to strengthen its role in mobilizing partnerships more generally, including through a common partnerships approach across all UN development system entities. At country level, the importance of recruiting the right RC office staff to build and expand partnerships was highlighted, including to focus on SDG financing and engage with IFIs and the Word Bank, both key stakeholders in the CCA and Cooperation Frameworks processes. In that regard, Member States sought details on how DCO was supporting RCs and RCOs

in building partnerships with different stakeholders, how UNCTs were engaging stakeholders in the CCA and Cooperation Frameworks processes, and what host and donor countries can do to jointly improve UNCT collaboration with IFIs.

The planned system-wide evaluation office should complement other evaluation structures, be independent from UNSDG management and have the prerogative to report directly to the SG and to ECOSOC in its role as an accountability platform for the UNDS.

Member States recognized the value of system-wide evaluation, stressing the need to ensure that the new system-wide evaluation office be functionally independent from the management, report directly to the Secretary-General, be accountable to ECOSOC and have the prerogative to share reports directly with the Council. It should focus on the RC system performance and system-wide and/or joint activities and topics that cannot be adequately addressed through other existing United Nations evaluation and accountability mechanisms. An early evaluability study on the COVID-19 Response has shown how the RC system, as a key element of UNDS reform, has enabled coherent, collective UNCT action. It also identified room for improvement and approaches to further enhance the UN reform progress. Several delegations reiterated their request for more concrete information on the proposed system-wide evaluation office's structure, funding modalities, reporting lines, as well the division of labour with other entities in the system with an evaluation or oversight mandate.

The way forward

The past year presented an unprecedented challenge for the newly repositioned United Nations development system. As COVID-19 crisis wreaked havoc across the globe, the UNDS came together as never before to leverage its new architecture to deliver its expertise and resources to support countries' response and recovery efforts. COVID-19 was a stress test for the newly repositioned UNDS, and the system rose to the challenge.

Member States reaffirmed that the 2020 QCPR, adopted in the midst of the pandemic, provides a strong foundation to further consolidate and operationalize UNDS support countries to recover better and greener from the pandemic and to accelerate the delivery of the 2030 Agenda for Sustainable Development. It calls for stepped-up support by the UNDS on poverty eradication and leaving no one behind, including by strengthening social protection, quality education, universal health care and partnerships, and providing tailored support to countries in special situations disaster risk reduction, resilience, health, education and social protection floors. Many said that it is also critical to strengthen the rights-based and gender-responsive approaches throughout UNDS work. This means strengthening the principle of leaving no one behind by building on the Secretary-General's strategies and roadmaps on digital inclusion, disability inclusion, zero sexual exploitation and abuse, and sustainability management.

Looking forward, to reverse the impact of the pandemic and redouble efforts to achieve the SDGs in the Decade of Action, the United Nations development system must be guided by the same sense of solidarity, commitment and collaboration around collective results that have characterized its approach to the COVID-19 crisis.

The 2021 Operational Activities for Development segment stressed that to best help countries overcome complex development challenges, the United Nations development system must deliver

more integrated policy support solutions. Regardless of UN entities' physical presence, the Cooperation Frameworks are the central mechanism for a whole-of-system approach. At the regional level, the newly established regional collaborative platforms can leverage regional development multipliers including by addressing cross-border and transboundary development challenges.

There is a clear need for more nimble, tailored UN development system responses, especially for countries in special situations. The segment strongly emphasized the need to strengthen collaboration and coherence across humanitarian-development-peace actions in fragile contexts. The 2022 high-level meeting of the General Assembly on Peacebuilding Financing is an opportunity to reflect how funding can support this process. Stronger and better institutional support is needed for SIDS, including through but not limited to the multi-country offices. For LDCs and LLDCs, the UN development system response should be anchored in their respective programmes of action and preparations for the upcoming fifth UN Conference on LDCs. The United Nations development system must also assess how to provide more impactful support to MICs, including their access to SDG financing. With some four billion people outside social protection systems, the UNDS must tackle poverty from a multidimensional perspective and address long-term social protection. Guided by the new QCPR, the UNSDG is expected to elaborate a coherent system-wide strategy to help countries implement nationally appropriate social protection systems for all, including social protection floors.

In 2020, countries participating in the Voluntary National Reviews at the High-level Political Forum on sustainable development considered the process of advancing national implementation of the 2030 Agenda. The system's support to integrated national financing frameworks is an important entry point to close the link between national development plans and the financial resources needed to achieve them. To maximize impact, there must be a better link between the Voluntary National Reviews and the Cooperation Frameworks as well as stronger UNDS cooperation with IFIs and regional development bank -- this is the new frontier.